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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/836,729	04/17/2001	Michael Thomas Aarons	ALAMM.001A	8087
20995	7590	03/11/2004	EXAMINER	
KNOBBE MARTENS OLSON & BEAR LLP 2040 MAIN STREET FOURTEENTH FLOOR IRVINE, CA 92614				LEE, DIANE I
		ART UNIT		PAPER NUMBER
				2876

DATE MAILED: 03/11/2004

Please find below and/or attached an Office communication concerning this application or proceeding.

<b>Office Action Summary</b>	<b>Application No.</b>	<b>Applicant(s)</b>	
	09/836,729	AARONS, MICHAEL THOMAS	
	Examiner D. I. Lee	Art Unit 2876	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --  
**Period for Reply**

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM  
 THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

**Status**

- 1) Responsive to communication(s) filed on \_\_\_\_\_.
- 2a) This action is FINAL.                    2b) This action is non-final.
- 3) Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

**Disposition of Claims**

- 4) Claim(s) 1-12 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) Claim(s) \_\_\_\_\_ is/are allowed.
- 6) Claim(s) 1-12 is/are rejected.
- 7) Claim(s) \_\_\_\_\_ is/are objected to.
- 8) Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

**Application Papers**

- 9) The specification is objected to by the Examiner.
- 10) The drawing(s) filed on 17 April 2001 is/are: a) accepted or b) objected to by the Examiner.  
 Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
 Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

**Priority under 35 U.S.C. § 119**

- 12) Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) All    b) Some \* c) None of:
  1. Certified copies of the priority documents have been received.
  2. Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  3. Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

**Attachment(s)**

- |   |   |
|---|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892)   | 4) <input type="checkbox"/> Interview Summary (PTO-413)                     |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)  | Paper No(s)/Mail Date. _____.   |
| 3) <input checked="" type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)<br>Paper No(s)/Mail Date <u>see attached sheet</u> . | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152) |
|   | 6) <input type="checkbox"/> Other: _____.                                   |

The IDS mail dates are as follows:

10/20/03  
04/15/03  
08/13/02  
03/12/02  
02/11/02  
08/6/01  
07/20/01

## **DETAILED ACTION**

1. Claims 1-12 are presented for examination.

### *Drawings*

2. The drawings are objected to under 37 CFR 1.83(a). The drawings must show every feature of the invention specified in the claims. Therefore, the following feature(s) must be shown or the feature(s) canceled from the claim(s):

- (a) the optical disk having multiple images of the encrypted credit card number (as recited in claim 8).

No new matter should be entered.

A proposed drawing correction or corrected drawings are required in reply to the Office action to avoid abandonment of the application. The objection to the drawings will not be held in abeyance.

### *Claim Objections*

3. **Claims 9 is objected to because of the following informalities:**

- (a) Re claim 9, line 2: “merchandize. Address” should be changed --merchandise, and wherein said shipping address--; and

- (b) Re claim 9, line 3: “the credit device” should be changed to --a credit device--.

Appropriate correction is required.

### *Claim Rejections - 35 USC § 112*

4. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

5. **Claims 1-12 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.**

(i) Claim 1 provides for the use of **an optical disc, commonly referred to as “Compact Disc” or Digital Versatile Disc”** and the use of **financial transaction over a networked environment**, but, since the claim does not set forth any steps involved in the method/process, it is unclear what method/process applicant is intending to encompass. A claim is indefinite where it merely recites a use without any active, positive steps delimiting how this use is actually practiced.

Claim 1 is rejected under 35 U.S.C. 101 because the claimed recitation of a use, without setting forth any steps involved in the process, results in an improper definition of a process, i.e., results in a claim which is not a proper process claim under 35 U.S.C. 101. See for example *Ex parte Dunki*, 153 USPQ 678 (Bd.App. 1967) and *Clinical Products, Ltd. v. Brenner*, 255 F. Supp. 131, 149 USPQ 475 (D.D.C. 1966).

(ii) Claim 2 provides for the use of **an agent in the form of software that is temporarily or permanently loaded into the user’s computer**, but, since the claim does not set forth any steps involved in the method/process, it is unclear what method/process applicant is intending to encompass. A claim is indefinite where it merely recites a use without any active, positive steps delimiting how this use is actually practiced.

Claim 2 is rejected under 35 U.S.C. 101 because the claimed recitation of a use, without setting forth any steps involved in the process, results in an improper definition of a process, i.e., results in a claim which is not a proper process claim under 35 U.S.C. 101. See for example *Ex parte Dunki*, 153 USPQ 678 (Bd.App. 1967) and *Clinical Products, Ltd. v. Brenner*, 255 F. Supp. 131, 149 USPQ 475 (D.D.C. 1966).

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(iii) Regarding claim 3, the phrase "for example" renders the claim indefinite because it is unclear whether the limitation(s) following the phrase (i.e., "a two number disc with an embedded and encrypted credit card number of charged purchases and an embedded and encrypted debit card number for the purpose of debited purchases") are part of the claimed invention. See MPEP § 2173.05(d).

(iv) Claim 8 provides for the use of **multiple images of the encrypted credit card number**, but, since the claim does not set forth any steps involved in the method/process, it is unclear what method/process applicant is intending to encompass. A claim is indefinite where it merely recites a use without any active, positive steps delimiting how this use is actually practiced.

Claim 8 is rejected under 35 U.S.C. 101 because the claimed recitation of a use, without setting forth any steps involved in the process, results in an improper definition of a process, i.e., results in a claim which is not a proper process claim under 35 U.S.C. 101. See for example *Ex parte Dunki*, 153 USPQ 678 (Bd.App. 1967) and *Clinical Products, Ltd. v. Brenner*, 255 F. Supp. 131, 149 USPQ 475 (D.D.C. 1966).

(v) Re claim 9, lines 1+ reads, "multiple shipping addresses on the card for delivering purchased merchandise. Address can be verified prior to issuing the credit device." It is unclear what applicant meant by issuing the credit device and how the multiple shipping addresses on the optical disc, which having an encrypted identification number for the use of financial transaction over a networked environment (as recited in claim 1), can be verified?

Therefore, claims 1-3, 8-9 and claims depend therefrom, i.e., claims 4-7, 10-12 are vague and indefinite. Appropriate correction and clarification are required.

### ***Claim Rejections - 35 USC § 102***

6. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

**7. Claims 1-3 and 6-7 (as best understood by the examiner) are rejected under 35 U.S.C. 102(e) as being anticipated by Burnett [US 6,597,653].**

**Re claim 1:** Burnett discloses the use of transaction card 10 comprises an optical disk 12, such as a compact disk (CD), WORM, erasable optical disk, DVD that contains an embedded identification number (identification code 24) for the use of financial transactions over a networked environment, wherein the embedded identification number is encrypted for security purpose (see col. 6, lines 28+; col. 5, lines 35+; and figures 1 and 6).

**Re claim 2:** Burnett also teaches the use of an agent in the form of software that is downloaded into the user's computer (i.e., temporarily or permanently loaded into the user's computer) for the purpose of verifying the actual existence of a credit instrument (e.g., identify the user's account from the transaction card 10) retrieved by CD ROM drive, which is a part of the computer peripheral system (see col. 6, line 28-col. 7, line 49).

**Re claim 3:** A system of one or more embedded and encrypted account numbers residing on the optical disc 112 for the purpose of allowing multiple uses of the credit instruments (see col. 6, lines 13+).

**Re claim 6:** Burnett teaches the loading the agent on the user's computer from either the optical disk or the network environment (see col. 5, line 9-col. 7, lines 32 and figure 6).

**Re claim 7:** Figure 1 shows the addition of a magnetic strip 22 on the optical disk 12 to allow the optical card to be used as a traditional credit card.

8. **Claims 2 and 12 (as best understood by the examiner) are rejected under 35 U.S.C. 102(e) as being anticipated by Goodwin et al. [US 6,179,209-referred as Goodwin, cited by the applicant].**

**Re claim 2:** Goodwin teaches a data processing system having a reader device adapted to read information residing on a computer's peripheral system (i.e., a holder 110 for a floppy diskette that provide a slot for receiving a credit card) to carry out network-based transaction. The data processing system 20 is controlled primarily by computer readable instructions, which can be in the form of software, wherever, or by whatever means such software is stored or accessed. Such software may be executed within the Central Processing Unit (CPU 50) to cause data processing system 20 to do work (i.e., software to enable access to and interpretation of data is loaded on the system). The software provides control signals to indicate that there is no rotating disk in the system and controlling the access of the machine-readable information on the credit card. Thus, the use software loaded into the user's computer provides the function of verifying the actual existence of a credit instrument (a traditional credit card 114) that inserted in a credit card holder 100, which physically reside as part of that computer's peripheral system.

**Re claim 12:** Goodwin also teaches the system optionally requires manual entries for verification or additional confirmation (e.g., entering 4-digit number that is sometimes printed on a conventional credit card), thus the software of the system is designed to accept transitional credit instruments through manually entering the credit card number (see col. 6, line 36-col. 7, line 12).

### *Claim Rejections - 35 USC § 103*

9. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

- (a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are

such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

**10. Claims 4-5, 8-9, and 11 are rejected under 35 U.S.C. 103(a) as being unpatentable**

**over Burnett.** The teachings of Burnett have been discussed above.

**Re claims 4-5:** Burnett does not explicitly teach the step of preventing the financial transaction from completing if the additional number or password is not entered correctly.

However, since Burnett teaches that in performing on-line shopping, user's account is identified through the card 10 and the use of an additional number or password (i.e., PIN number) supplied by the user to view the balance in user's account and to finalized the purchase (see col. 7, lines 7+), it would have been obvious to an artisan of ordinary skill in the art at the time the invention was made to recognized that the step of using the PIN number supplied by the user for the purpose of viewing the balance in user's account and finalizing the purchase would obviously include the step of denying the user to view the account balance so as to unable to finalized the purchase if the additional number or password is not entered correctly.

Burnett also teaches that the PIN can be incorporated into the card 10, thus once the card 10 inserted into the computer's CD ROM drive. Further, the user information is stored in an encrypted format, and programming is available o the Internet to download to allow from the user's site to verify the identification information and PIN number locally on the user's computer at the site. Thus, prevents the need to transfer the additional number or password over the network and the sensitive nature of the user information my be preserved (see col. 6, lines 49+ and col. 7, lines 7+).

**Re claims 8-9 and 11:** From figures 1-2, Burnett teaches the card 10 having an optical disk12 with a read side and a non-read side or a visually displaying side. Wherein the non-read side or visually displaying side includes a user's signature signing area or may be references as an identifying and logo (i.e., a label that contains a name, symbol, or trademark for the purpose of easy and definite recognition).

Further, Burnett teaches the optical disk having a plurality of modules (see figure 6). An identification module 210 is one of the modules stored on the optical disk 12 that contains information specific to a user, which is not limited to credit or debit concerns exclusively, i.e., it may contain a user's complete credit history, medical history, transaction history, bank or financial account history, driving history, and so forth, which obviously include the user's name and optional account information. The identification module 210 may further contain multiple identification codes 24 specific to various entities, sponsors, etc. The information stored in the identification module is read by the CD ROM drive (see col. 6, lines 13+). The memory capacity of the optical disk allows for numerous interactive uses. Furthermore, Burnett teaches the identification module containing a multiple identification codes and the use of the memory capacity of the optical disk 12 that allows redundant storage of one or more identification codes 24 (i.e., use of multiple encrypted credit or debit account number which is the image of the code optically duplicated). Thus, when a portion of the optical disk 12 is damaged (in severe environments where the instrument of credit/debit contains surface defects), the redundant storage of identification codes increases the likelihood of being able to read the identification code from an undamaged portion of the optical disk 12 (see col. 6, lines 43+).

With respect to the specific use of the information stored on the optical card (i.e., a multiple shipping addresses for delivering purchases merchandize, as recited in claim 9), it would have been obvious to an artisan of ordinary skill in the art at the time the invention was made to recognize that incorporating user's multiple shipping addresses as part of the user's identifying information on the optical card for delivering the on-line purchased merchandise would have been obvious extension taught by Burnett for the reason that the shipping addresses or multiple shipping address of the user is a part of the user's data and utilizing the shipping addresses on the optical card for delivery purpose would facilitate the user's website transaction. Accordingly, incorporating the multiple user's address for the user to select would complete the shipping and handling operation while finalizing the transaction when

the user performs on-line shopping. Accordingly, it would have been an obvious extension taught by Burnett.

11. **Claim 10 is rejected under 35 U.S.C. 103(a) as being unpatentable over Burnett in view of Lopata [US 4,641,017, cited by the applicant].** The teachings of Burnett have been discussed above.

Burnett does not teach the optical disk containing the a hologram label to signifying the disc is genuine and not a product of forgery.

Lopata teaches a fraud resistant credit card having a reflection hologram laminated into the face of the credit card, and wherein the hologram is for the purpose of signifying that the disc or card is genuine and not a product of forgery (see the abstract).

Thus, it would have been obvious to an artisan of ordinary skill in the art at the time the invention was made to incorporate a notoriously old and well known hologram label to the teaching of Burnett in order to guard against counterfeiting of the card. Accordingly, it would have been an obvious extension taught by Burnett to improve the security of the optical card.

### ***Double Patenting***

12. The nonstatutory double patenting rejection is based on a judicially created doctrine grounded in public policy (a policy reflected in the statute) so as to prevent the unjustified or improper timewise extension of the "right to exclude" granted by a patent and to prevent possible harassment by multiple assignees. See *In re Goodman*, 11 F.3d 1046, 29 USPQ2d 2010 (Fed. Cir. 1993); *In re Longi*, 759 F.2d 887, 225 USPQ 645 (Fed. Cir. 1985); *In re Van Ornum*, 686 F.2d 937, 214 USPQ 761 (CCPA 1982); *In re Vogel*, 422 F.2d 438, 164 USPQ 619 (CCPA 1970); and, *In re Thorington*, 418 F.2d 528, 163 USPQ 644 (CCPA 1969).

A timely filed terminal disclaimer in compliance with 37 CFR 1.321(c) may be used to overcome an actual or provisional rejection based on a nonstatutory double patenting ground provided the conflicting application or patent is shown to be commonly owned with this application. See 37 CFR 1.130(b).

Effective January 1, 1994, a registered attorney or agent of record may sign a terminal disclaimer. A terminal disclaimer signed by the assignee must fully comply with 37 CFR 3.73(b).

13. **Claims 1, 3, and 8 are provisionally rejected under the judicially created doctrine of obviousness-type double patenting as being unpatentable over claims 1-20 of copending Application No. 09/921,733 (referred as Application'733).** Although the conflicting claims are not identical, they are not patentably distinct from each other because Application'733 discloses the use of an optical disc, commonly referred to as "compact Disc" or Digital Versatile Disc" that contains an embedded and encrypted information (i.e., digital signature) for the use of financial transaction over the networked environment or over the Internet. Furthermore, Application'733 teaches the use of multiple password or personal identification number, the digital image of the identification, and recording the identification means a multiple time on the storage to provide when one or more of identification information cannot read. Although Application'733 does not explicitly state that the embedded and encrypted information is an identification number, the fact that the digital signature is functionally equivalent to an identification number for uniquely identifying the user or the card. Thus, it would have been obvious to an artisan of ordinary skill in the art at the time the invention was made to recognized that claims 1-20 of Application'733 obviously encompasses the claimed scope of current application.

This is a provisional obviousness-type double patenting rejection because the conflicting claims have not in fact been patented.

### *Conclusion*

14. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure. Herzberg et al. [US 5,745,678], Rutsche [US 6,542,444], and Brindze et al. [US 5,822,291] teaches a system using a card information stored on the optical card for network transaction. Hansen [US 6,513,709] discloses an optical card used for securely carrying out financial transaction and storing personal information.

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Any inquiry concerning this communication or earlier communications from the examiner should be directed to D. I. Lee whose telephone number is (571) 272-2399. The examiner can normally be reached on Monday through Thursday from 5:30 AM to 4:00 PM.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Michael G. Lee can be reached on (571) 272-2398. The fax phone number for the organization where this application or proceeding is assigned is 703-872-9306.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).



D. I. Lee  
Primary Examiner  
Art Unit 2876

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